



February 22, 2005

HOUSE BILL No. 1566

DIGEST OF HB 1566 (Updated February 21, 2005 1:46 pm - DI 92)

Citations Affected: IC 6-3; IC 21-9; noncode.

Synopsis: Education savings deduction. Provides that up to \$2,000 in contributions to a family college savings account may be deducted from adjusted gross income. Reduces the number of appointed directors of the education savings authority from five to three. Codifies an expired noncode provision that requires the treasurer of state and the board for depositories to provide clerical support, office space and services, and financial support to the education savings authority.

Effective: January 1, 2006.

Buell, Klinker

January 18, 2005, read first time and referred to Committee on Ways and Means.
February 21, 2005, reported — Do Pass.

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February 22, 2005

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

HOUSE BILL No. 1566

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-3-2-20 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2006]: **Sec. 20. (a) Each taxable year, an individual**
4 **who makes a contribution to a college choice 529 investment plan**
5 **established under IC 21-9 for the benefit of a dependent of the**
6 **individual may deduct from the individual's adjusted gross income**
7 **(as defined in IC 6-3-1-3.5(a)) the lesser of:**

8 **(1) the amount of the contribution made by the individual**
9 **during the taxable year; or**

10 **(2) two thousand dollars (\$2,000).**

11 **(b) Notwithstanding subsection (a), a husband and wife filing a**
12 **joint adjusted gross income tax return for a particular taxable year**
13 **may not claim a deduction under this section of more than two**
14 **thousand dollars (\$2,000).**

15 SECTION 2. IC 21-9-4-1 IS AMENDED TO READ AS FOLLOWS
16 [EFFECTIVE JANUARY 1, 2006]: **Sec. 1. (a) The board of directors**
17 **of the authority is established. The board consists of the following:**

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(1) The following four (4) ex officio members or directors:

- (A) The treasurer of state.
- (B) The state superintendent of public instruction.
- (C) The Indiana commissioner of higher education.
- (D) The budget director.

(2) ~~Five (5)~~ **Three (3)** appointed members or directors who:

- (A) are appointed by the governor; and
- (B) have knowledge, skill, and experience in academic, business, financial, or education fields.

(b) During a member's term of service on the board, an appointed member of the board may not be an official or employee of the state.

(c) Not more than ~~three (3)~~ **two (2)** of the appointed members of the board may belong to the same political party.

(d) An appointed member serves a four (4) year term. An appointed member shall hold over after the expiration of the member's term until the member's successor is appointed and qualified.

(e) The governor may reappoint an appointed member of the board.

(f) A vacancy shall be filled for the balance of an unexpired term in the same manner as the original appointment.

(g) The treasurer of state shall serve as chairman of the board. The board shall annually elect one (1) of its ex officio members as vice chairman, and may elect any other officer that the board desires.

(h) The governor may remove an appointed member for misfeasance, malfeasance, willful neglect of duty, or other cause after notice and a public hearing, unless the member expressly waives the notice and hearing in writing.

SECTION 3. IC 21-9-4-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 5. (a) ~~Five (5)~~ **Four (4)** members of the board are a quorum for:

- (1) the transaction of business at a meeting of the board; or
- (2) the exercise of a power or function of the authority.

(b) This subsection applies to a meeting of the board at which at least ~~five (5)~~ **four (4)** members of the board are physically present at the place where the meeting is conducted. A member of the board may participate in a meeting of the board by using a means of communication that permits:

- (1) the member;
- (2) all other members participating in the meeting; and
- (3) all members of the public physically present at the place where the meeting is conducted;

to simultaneously communicate with each other during the meeting. A member who participates in a meeting described in this subsection is

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considered to be present at the meeting. If a meeting is held under this subsection, the memoranda of the meeting prepared under IC 5-14-1.5-4 must state the name of each member who was physically present at the place where the meeting was conducted, who participated in the meeting by using a means of communication described in this subsection, and who was absent from the meeting.

(c) The affirmative vote of a majority of all the members of the board who are present is necessary for the authority to take action. A vacancy in the membership of the board does not impair the right of a quorum to exercise all the rights and perform all the duties of the authority. An action taken by the board under this article may be authorized by:

- (1) resolution at any regular or special meeting; or
- (2) unanimous consent of all the members who have not abstained.

A resolution takes effect immediately upon adoption and need not be published or posted.

(d) The board shall meet at the call of the chairman and as provided in the bylaws of the authority.

(e) Meetings of the board may be held anywhere in Indiana.

SECTION 4. IC 21-9-10-5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: **Sec. 5. The treasurer of state and the board for depositories shall cooperate and provide to the Indiana education savings authority the following:**

- (1) Clerical and professional staff and related support.**
- (2) Office space and services.**
- (3) Reasonable financial support for the development of rules, policies, programs, and guidelines, including authority operations and travel.**

SECTION 5. [EFFECTIVE JANUARY 1, 2006] **IC 6-3-2-20, as added by this act, applies to taxable years beginning after December 31, 2005.**

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1566, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

ESPICH, Chair

Committee Vote: yeas 21, nays 0.

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